

[林凯凯 Lin Kaikai]

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CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

[l84946469@outlook.com]

July 7, 2025

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Honorable Judge Karen B. Owens
United States Bankruptcy Court
District of Delaware
824 North Market Street, 3rd Floor
Wilmington, Delaware 19801

CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

**Re: Objection to Designation of China as a "Restricted
Foreign Jurisdiction"**

In re: FTX Trading Ltd., et al., Case No. 22-11068 (KBO)

Dear Judge Owens:

**OBJECTION TO MOTION OF FTX RECOVERY TRUST TO
IMPLEMENT RESTRICTED JURISDICTION PROCEDURES**

Submitted by: [林凯凯 Lin Kaikai], Tax Resident of China,
and Representative of Chinese FTX Creditors

Preliminary Statement

I submit this objection both individually and as the representative of an organized group exceeding 300 Chinese FTX creditors. Members have collectively entrusted me to advocate for their shared interests throughout these proceedings.

My family holds one KYC-verified FTX accounts with aggregate claims USD 16,181.87 (Unique Customer Code:4297923). We have fully complied with all Plan requirements. The Trust's motion now arbitrarily jeopardizes our distribution rights.

The designation of China as a “Restricted Jurisdiction” lacks factual or legal foundation. As demonstrated below, no credible basis exists to conclude that distributions to Chinese creditors would expose the Trust or its agents to regulatory or criminal liability.

I. USD-Denominated Distributions Are Legally Feasible

1. Claims are valued and payable in USD. Though originating from crypto investments, the Plan adopts a USD-denominated framework. Distributions are fiat-based, functionally equivalent to traditional monetary claims [1].

2. USD transfers are lawful. The Trust's partnerships with Payoneer, BitGo, and Kraken enable fiat disbursements. Chinese residents may lawfully receive USD via Hong Kong accounts without violating capital controls [2][3].

3. Precedent confirms viability. In *In re Celsius Network LLC* (Case No. 22-10964), Chinese creditors received USD via wire transfers. Similar mechanisms apply here [4].

4. Conclusion: The USD's status as a global reserve currency permits lawful transmission to China. Denying equal access to distributions based on speculative regulatory risks is unjustified and contravenes bankruptcy equity principles.

II. Crypto-Based Distributions Are Legally Permissible

1. China recognizes virtual assets as property. Chinese courts consistently affirm cryptocurrencies as protected personal property under the Civil Code [5][6][7][8].

2. Hong Kong's regulatory clarity. As a Special Administrative Region of China, Hong Kong operates a licensed crypto framework permitting retail participation [9][10][11][12].

3. Macau's policy misconstrued. The Trust cites Macau's 2017 ICO guidance—irrelevant to personal crypto receipt [13][14].

4. International precedents:

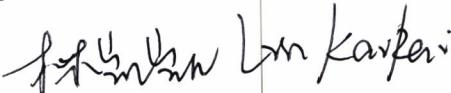
- Celsius Network: USD wires to Chinese creditors approved.
- Mt. Gox: Chinese creditors received BTC/BCH via Kraken without jurisdictional barriers [15][16].

Conclusion

Distributions to Chinese creditors pose no legal risk and are integral to the bankruptcy process. The motion's designation of China as "Restricted" is factually and legally unsound. I respectfully urge the Court to reject this exclusionary measure.

Respectfully submitted,

[林凯凯 Lin Kaikai]

[Your Signature] 

Date: July 7, 2025

Appendix A: References

[1]<https://www.coindesk.com/markets/2025/05/16/ftx-to-pay-over-usd5b-to-creditors-as-bankrupt-exchange-gears-up-for-distribution>

[2]<https://www.prnewswire.com/news-releases/ftx-recovery-trust-to-distribute-more-than-5-billion-to-creditors-in-second-distribution-on-may-30-2025-302456976.html>

[3]<https://www.coinspeaker.com/ftx-adds-payoneer-as-payment-method-for-creditors>

[4]<https://www.nysb.uscourts.gov/content/re-22-10964-mg-celsius-network-llc-21>

[5]https://watcher.guru/news/bitcoin-is-now-recognized-as-a-legal-virtual-property-by-shanghai-high-court#google_vignette

[6]<https://www.mondaq.com/fin-tech/1577154/shanghai-court-recognises-the-legality-of-crypto-ownership-for-individuals>

[7]<https://www.coindesk.com/markets/2018/10/26/chinese-court-rules-bitcoin-should-be-protected-as-property>

[8]

<https://news.bitcoin.com/chinese-court-ethereum-legal>

[9]<https://www.info.gov.hk/gia/general/202210/31/P2022103000454.htm>

[10]<https://www.reuters.com/technology/crypto-exchange-hashkey-bags-licence-update-serve-retail-users-2023-08-03>

[11]<https://cointelegraph.com/news/hong-kong-welcomes-first-licensed-retail-crypto-exchange-hashkey>

[12]<https://www.engage.hoganlovells.com/knowledgeservices/news/hong-kong-government-policy-announcement-on-virtual-asset-exchanges-hong-kong-fintech-week-2022>

[13] <https://www.gov.mo/en/news/74177>

[14]<https://www.amcm.gov.mo/zh-hant/news-notice/statement/detail/alert-to-risks-of-virtual-commodities-and-tokens/642>

[15]<https://www.theblock.co/post/303624/mt-gox-creditors-may-have-to-wait-for-up-to-three-months-to-receive-their-bitcoin>

[16]<https://cointelegraph.com/news/mt-gox-confirm-bitcoin-addresses-repayment>

CERTIFICATE OF SERVICE

I, [林凯凯 Lin Kaikai], hereby certify that on July 5, 2025, I caused a copy of the foregoing Objection to the Motion of the FTX Recovery Trust to Implement Restricted Jurisdiction Procedures to be served via electronic mail upon the following parties:

Sullivan & Cromwell LLP

- James L. Bromley – bromleyj@sullcrom.com
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I certify under penalty of perjury that the foregoing is true
and correct.

Dated: July 7, 2025

Hongkong

林凯凯 Lin Kaikai

A handwritten signature in black ink, appearing to read "林凯凯 Lin Kaikai".

